



ENERGY ASSURANCE DAILY

Tuesday Evening, October 16, 2007

Electricity

NERC's 2007 Long-Term Reliability Assessment Report Released October 16

The major findings of the report prepared by the North American Electric Reliability Corp. are: 1. Long-term capacity margins are still inadequate. 2. Integration of renewable energy sources will require massive investments in transmission capacity and in special considerations with respect to planning, design, and operation. 3. The high reliance on natural gas in some areas of the U.S. must be properly managed to reduce the risk of supply & delivery interruptions. 4. The transmission situation has improved but more improvements are required. 5. The aging workforce remains a growing challenge.

ftp://www.nerc.com/pub/sys/all_updl/docs/pubs/LTRA2007.pdf

Update: Calpine's 811 MW Delta Gas-fired Unit in California Back to Full Power October 15

The unit was reduced by 606 MW on October 14.
Reuters, 07:58 October 16, 2007

Complete's 259 MW La Paloma Gas-fired Unit 4 in California Shut October 14

Reuters, 08:55 October 16, 2007

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut October 15

Reuters, 08:55 October 16, 2007

Bruce's 750 MW Bruce Nuke Unit 7 Shut in Ontario October 14

Reuters, 08:55 October 16, 2007

OPG's 490 MW Nanticoke Coal-fired Unit 8 in Ontario Shut October 16

Reuters, 08:55 October 16, 2007

OPG's 490 MW Nanticoke Coal-fired Unit 3 in Ontario Shut October 12

Reuters, 08:55 October 16, 2007

Entergy's 852 MW FitzPatrick Nuke Unit in New York Exits Outage October 16

The unit was shut on October 14 when algae interfered with a cooling water intake.
Reuters, 07:44 October 16, 2007

Petroleum

125,000 b/d Crude Unit Online at Citgo's 440,000 b/d Lake Charles Refinery in Louisiana October 16

According to an OPIS story, the 125,000 b/d crude unit at Citgo's Lake Charles refinery has returned to service two weeks earlier than expected after being shut down for turnaround service.
OPIS, 09:48 October 16, 2007

Update: ConocoPhillips's Eldfisk, Embla Oil Fields in Norway to be Back Online October 17

ConocoPhillips's Norwegian oil fields, Eldfisk and Embla, are expected to be back in service in Norway's southern North Sea as soon as a compressor seal is repaired.

http://www.rigzone.com/news/article.asp?a_id=51445

Valero Restarts Units at 285,000 b/d Aruba Refinery October 16

A spokesperson for Valero announced that some units had been restarted following a power outage that shut the facility down. The company expects that all units will be in production within the next few days.

Reuters, 09:47 October 16, 2007

Valero Restarts FCC Unit at its 340,000 b/d Refinery in Corpus Christi, Texas October 16, 2007

The company reports that the refinery is operating normally following a power failure on October 14. The power outage lasted for approximately eight hours and 15 minutes. According to the Valero representative, there was no material impact on production.

Bloomberg News, 15:55 October 16, 2007

Angola Expected to Produce Over 2 Million b/d by December

Traders expect a new record to be set for Angolan exports as new fields begin producing and other wells increase production. ExxonMobil plans to extract 100,000 b/d from its Mondo field and BP's Plutonio field is expected to produce 194,000 b/d for export by December. Nearly all of the oil produced in Angola is exported with only approximately 62,000 b/d consumed domestically.

Reuters, 09:09 October 16, 2007

FCC Emissions Event Reported at Valero's 142,000 b/d Corpus Christi, Texas Refinery October 14

According to a filing with state regulators, the facility experienced a power interruption lasting eight hours and fifteen minutes. The report indicated that a unit feed was reduced and a boiler restarted.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=98730>

Oil Prices Climb to New High on Threat of Turkish Invasion of Northern Iraq

Crude oil prices rose sharply to \$87.97 on concern that the Turkish Parliament could approve military action in Northern Iraq against Kurdish militants.

Bloomberg News, 11:09 October 16, 2007

Oil Prices Climb to New High on Threat of Turkish Invasion of Northern Iraq

Crude prices rose sharply to \$87.97 on concerns that the Turkish Parliament could approve military action in Northern Iraq against Kurdish militants. NYMEX futures settled at \$87.61 a barrel after having climbed to an all time high \$88.20. OPEC announced that it could do nothing more to control the rally on oil prices after having agreed to boost production 500,000 b/d beginning November 1.

Bloomberg News, 11:09 October 16, 2007

Reuters, 15:09 October 16, 2007

Reuters, 11:34 October 16, 2007

Natural Gas

MGM Energy to Ship Gas on Proposed Mackenzie Pipeline System October 15

MGM Energy Corp said Monday it is booking pipeline space and is taking an option to buy a stake in the Arctic line's gas-gathering network. MGM said it has agreed to ship 200 MMcf/d of natural gas on the Mackenzie Gathering System. If constructed as planned, the system is estimated to be completed in 2015.

<http://uk.reuters.com/article/oilRpt/idUKN1534334420071015>

Service Begins at Enterprise's Meeker Natural Gas Facility in Colorado October 15

Enterprise Products Partners LP announced yesterday that it has begun processing natural gas at the recently completed first phase of Meeker processing complex located in Colorado's Piceance Basin. The plant has a capacity of 750 MMcf/d of natural gas and Phase II of the complex is now under construction and expected to be completed in third quarter of 2008.

http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle_print&ID=1063131&highlight=

Gill Ranch Storage LLC Announces Open Season of 15 Bcf Natural Gas Storage Facility

Gill Ranch Storage, LLC (a wholly owned subsidiary of NW Natural) is developing a natural gas storage facility at its Gill Ranch property located in California. Gill Ranch Storage (GRS) plans to provide up to 15 Bcf of initial working gas capacity.

<http://www.gillranchstorage.com/GRSOpenSeason.pdf>

Compressor Station Outage Leads Spectra Energy to Shut Section of New England Pipeline

The company announced that the compressor station in Richmond, Maine would be out of service until October 30. Bloomberg News, 10:16 October 16, 2007

Dominion Transmission to Shut Portion of Coronado Pipeline Citing Mechanical Problems

The company will shut down the Cassity Mountain (Coronado Pipeline) at Station 14 from October 16-17.

<http://escript.dom.com/servlet/InfoPostServlet?region=null&company=dti&method=text&seqNbr=95318>

Other News

To Meet Global Oil and Gas Demand, Trillions is Needed in Spending - Analysts

A new Platts analysis shows that in order to meet the sharply growing global demand for hydrocarbons, companies that produce, refine and transport oil and natural gas will need as much as \$21.4 trillion in capital expenditures between now and 2030. The bulk will go toward exploration, maintenance and development of the crude oil supply and refining and transportation will account for the rest. Platts also cited the shortage of experienced engineers and geoscientists as hindering the development of new projects.

<http://www.iht.com/articles/ap/2007/10/15/business/NA-FIN-US-Oil---Gas-Spending.php>

Virginia Tech Launches Energy Efficiency Partnership Intended to Green Greater Washington D.C.

Virginia Tech announced Monday the "Energy Efficiency Partnership of Greater Washington" which is an initiative to tackle the problem of global warming by retrofitting existing buildings with energy efficiency products designed to decrease energy use and significantly cut carbon emissions. Teamed with Pepco Energy Services, this partnership is using \$500 million from investor Hannon Armstrong to pay for energy-saving upgrades at 100 or more properties throughout the metropolitan D.C. area. In addition, a number of associate partners, including urban developers, local councils, and architects are also committing to the initiative

<http://www.vtnews.vt.edu/story.php?relyear=2007&itemno=605>

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=9061150

Canadian Bioenergy Doubles Capacity to 60 MMgal/yr at Planned Biodiesel Refinery in Alberta

Reuters, 17:05 October 15, 2007

Energy Prices

U.S. Oil and Gas Prices October 16, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.58	80.23	59.88
NATURAL GAS Henry Hub \$/Million Btu	7.29	6.63	5.13

Source: Reuters

Energy Notes

Heavy Rain and Wind Leave 20,000 Oncor Electric Delivery Customers Without Power in Dallas-Fort Worth Texas October 15

http://www.usatoday.com/weather/storms/2007-10-15-texas-storms_N.htm

Update: Former TXU Now Energy Future Holdings Corp. Officially Kills Applications for Eight Coal-fired Plants October 15

<http://www.chron.com/dispatch/story.mpl/ap/business/5215449.html>

Update: TVA Selects Bechtel Power Corp to Complete Unit 2 at Watts Bar Nuke Plant in Tennessee

<http://www.tva.gov/news/releases/octdec07/bechtel.htm>

http://pepei.pennnet.com/display_article/309116/6/ARTCL/Display/none/TVA-awards-EPC-contract-for-Watts-Bar-2-nuclear-power-plant/

Update: U.S. Supreme Court Will Hear Delaware-New Jersey Dispute over Proposed LNG Project on Delaware River

<http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj--scotus-elawareri1015oct15,0,3898963.story>

Canadian Government and EPCOR Plan 500 MW Coal Gasification Power Plant in Alberta

http://pepei.pennnet.com/display_article/309080/6/ARTCL/Display/none/Coal-gasification-power-plant-planned-near-Edmonton/

Environmental Groups Drop Opposition to Emera's Brunswick Pipeline Project

<http://intelligencepress.com/>

Attempted Copper Theft at Aquila Power Substation in Missouri Ends in Injury and Power Outages at Local Airport

<http://www.thekansascitychannel.com/news/14346758/detail.html?rss=kc1&psp=news>

Turbine Lube Oil Spill Reported at FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida

Bloomberg News, 10:45 October 16, 2007

Florida Gas Issues Overage Alert at 25 Percent Due to Heat October 16

http://www.hottap.panhandleenergy.com/index.jsp?companyName=FGT&pg=notices_CR&frames=none

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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